

HOUSE BILL No. 1126

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-2-14.4.

Synopsis: Cost benefit analysis of outsourcing. Requires a state agency to do a cost benefit analysis before entering into a contract for services. Requires the department of administration to compile semiannual reports on the cost benefit analysis for each contract.

Effective: Upon passage.

Stilwell, Kuzman

January 8, 2007, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1126

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-13-2-14.4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.4. **(a) As used**
3 **in this section, "cost benefit analysis" means a comprehensive**
4 **study to identify and compare the total cost, quality, technical**
5 **expertise, and timeliness of a service performed by a state**
6 **employee with the total cost, quality, technical expertise, and**
7 **timeliness of the same service provided under a contract for**
8 **services.**

9 **(b) Before a state agency may enter into a contract for services to be**
10 **provided in lieu of appointing employees to available positions, the**
11 **agency must justify the cost effectiveness of the contract to the**
12 **commissioner of the department of administration, and conduct a cost**
13 **benefit analysis.**

14 **(c) The cost benefit analysis required in subsection (b) must be:**

- 15 **(1) submitted to the commissioner;**
16 **(2) submitted to the legislative council; and**
17 **(3) made available to the public;**



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1 at least ninety (90) days before the effective date of the contract.
 2 The analysis submitted to the legislative council must be in
 3 electronic format under IC 5-14-6.

4 (d) The commissioner of the Indiana department of
 5 administration shall twice each year compile and make available
 6 for public inspection a report concerning the cost benefit analysis
 7 of each contract for services awarded by each state agency. Before
 8 February 1 of each year, the commissioner shall compile and make
 9 available a report covering the six (6) month period ending
 10 December 31 of the preceding calendar year. Before August 1 of
 11 each year, the commissioner shall compile and make available a
 12 report covering the six (6) month period ending June 30 of that
 13 year. The commissioner shall also submit a copy of the report to
 14 the legislative council in an electronic format under IC 5-14-6.

15 SECTION 2. [EFFECTIVE UPON PASSAGE] (a)
 16 Notwithstanding IC 4-13-2-14.4(c), as added by this act, the
 17 commissioner of the Indiana department of administration is not
 18 required to file a report concerning the cost benefit analysis of each
 19 contract for services until February 1, 2008.

20 (b) This SECTION expires July 1, 2008.

21 SECTION 3. An emergency is declared for this act.

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